

TOWN OF CAMPTI, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/6/11

Town of Campti, Louisiana
Financial Report
June 30, 2010

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Independent Auditor's Report	-	5-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	A	9
Statement of Activities	B	10
Fund Financial Statements		
Governmental Fund		
Balance Sheet-Governmental Funds	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds	E	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	15
Proprietary Fund		
Statement of Net Assets	G	16
Statement of Revenues, Expenses and Changes in Net Assets	H	17
Statement of Cash Flows	I	18
Notes to Financial Statements	-	20-31

Town of Campti, Louisiana
Financial Report
June 30, 2010

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	J-1	33
Budgetary Comparison Schedule-LCDBG	J-2	34
Other Reports		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	K	36-37
Schedule of Audit Findings	L	38-39
Schedule of Prior Year Audit Findings	M	40

Town of Campti, Louisiana

**P. O. Box 216
Campti, LA 71411**

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year ended June 30, 2010

The Management's Discussion and Analysis is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. Certain comparative information is presented to provide an overview of its operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Town maintains three funds; two governmental funds, the general fund and LCDBG fund, and a proprietary fund, the water system.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

	June 2010			June 2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$203,132	\$ 125,090	\$ 328,222	\$221,855	\$ 135,196	\$ 357,051
Capital Assets, Net of Accumulated Depreciation	<u>117,648</u>	<u>1,866,323</u>	<u>1,983,971</u>	<u>119,990</u>	<u>1,959,611</u>	<u>2,079,601</u>
Total Assets	<u>\$320,780</u>	<u>\$1,991,413</u>	<u>\$2,312,193</u>	<u>\$341,845</u>	<u>\$2,094,807</u>	<u>\$2,436,652</u>
LIABILITIES:						
Accounts Payable	\$ 17,671	\$ 22,414	\$ 40,085	\$ 19,416	\$ 32,851	\$ 52,267
Customer Deposits	0	47,810	47,810	0	44,810	44,810
Long Term Debt	<u>0</u>	<u>385,516</u>	<u>385,516</u>	<u>0</u>	<u>392,171</u>	<u>392,171</u>
Total Liabilities	<u>\$ 17,671</u>	<u>\$ 455,740</u>	<u>\$ 473,411</u>	<u>\$ 19,416</u>	<u>\$ 469,832</u>	<u>\$ 489,248</u>
NET ASSETS:						
Invested in Capital Assets, Net of Related Debt	\$117,648	\$1,480,807	\$1,598,455	\$119,990	\$1,567,440	\$1,687,430
Restricted for Debt Service	0	54,866	54,866	0	57,535	57,535
Unrestricted	<u>185,461</u>	<u>0</u>	<u>185,461</u>	<u>202,439</u>	<u>0</u>	<u>202,439</u>
NET ASSETS	<u>\$303,109</u>	<u>\$1,535,673</u>	<u>\$1,838,782</u>	<u>\$322,429</u>	<u>\$1,624,975</u>	<u>\$1,947,404</u>

Summary of Statement of Activities

	June 2010			June 2009		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Program Revenues-						
Intergovernmental-						
Beer Tax	\$ 2,729	\$ 0	\$ 2,729	\$ 2,555	\$ 0	\$ 2,555
Grants	46,435	21,916	68,351	47,286	8,889	56,175
Charges for Services	43,638	236,779	280,417	37,492	230,467	267,959
General Revenues-						
Taxes	123,014	0	123,014	117,945	0	117,945
Licenses & Permits	72,688	0	72,688	68,650	0	68,650
Interest & Miscellaneous	7,828	3,376	11,204	8,911	47,977	56,888
Transfers In	<u>1,110</u>	<u>10,000</u>	<u>11,110</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$297,442</u>	<u>\$272,071</u>	<u>\$ 569,513</u>	<u>\$282,839</u>	<u>\$287,333</u>	<u>\$570,172</u>
EXPENSES:						
General Government	\$267,530	\$ 0	\$ 267,530	\$254,873	\$ 0	\$254,873
Public Safety	39,232	0	39,232	50,451	0	50,451
Operating Expense	0	360,263	360,263	0	358,850	358,850
Transfers Out	<u>10,000</u>	<u>1,110</u>	<u>11,110</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>\$316,762</u>	<u>\$361,373</u>	<u>\$ 678,135</u>	<u>\$305,324</u>	<u>\$358,850</u>	<u>\$664,174</u>
Change in Net Assets	<u>\$ (19,320)</u>	<u>\$ (89,302)</u>	<u>\$ (108,622)</u>	<u>\$ (22,485)</u>	<u>\$ (71,517)</u>	<u>\$ (94,002)</u>

Governmental Activities

- The Town's assets exceeded its liabilities by \$309,109 (net assets) for the year ending June 30, 2010. This is a decrease of \$19,320 from prior year.

Business Type Activities

- The Proprietary Fund, the water system, had a decrease in net assets of \$89,302 for the year ending June 30, 2010. This compares to a decrease of \$71,517 for the prior year.

General Fund Budgetary Highlights

Actual revenues for the year were \$62,043 more than budget and expenditures were \$70,131 more than budget for the year.

Economic Factors and Next Year's Budget

The budget for 2010/2011 should not change significantly from the 2009/2010 budget, with the exception of the LCDBG program.

Contacting the Town

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Town at P. O. Box 216, Campti, LA 71411.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

The Honorable Judy Daniels, Mayor
and the Town Council
P. O. Box 216
Campti, Louisiana, 71411

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and major funds of the Town of Campti, Louisiana as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Campti's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and major fund of the Town of Campti, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 4, 2011, on our consideration of the Town of Campti's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Campti's financial statements as a whole. The budgetary comparison listed as other required supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

February 4, 2011
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Town of Campti, Louisiana
Government-Wide Statement of Net Assets
June 30, 2010

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$177,546	\$ 51,843	\$ 229,389
Revenue Receivable	9,365	21,854	31,219
Due from Utility Fund	16,221	0	16,221
Restricted Assets-			
Cash & Cash Equivalents	0	51,393	51,393
Capital Assets – Net	<u>117,648</u>	<u>1,866,323</u>	<u>1,983,971</u>
Total Assets	<u>\$320,780</u>	<u>\$1,991,413</u>	<u>\$2,312,193</u>
LIABILITIES:			
Accounts Payable	\$ 16,019	\$ 1,690	\$ 17,709
Accrued Expenses	1,652	4,503	6,155
Due to General Fund	0	16,221	16,221
Customer Deposits	0	47,810	47,810
Long-Term Debt-			
Current Portion	0	6,987	6,987
Long-Term Portion	<u>0</u>	<u>378,529</u>	<u>378,529</u>
Total Liabilities	<u>\$ 17,671</u>	<u>\$ 455,740</u>	<u>\$ 473,411</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	\$117,648	\$1,480,807	\$1,598,455
Restricted for Debt Service	0	54,866	54,866
Unrestricted	<u>185,461</u>	<u>0</u>	<u>185,461</u>
Total Net Assets	<u>\$303,109</u>	<u>\$1,535,673</u>	<u>\$1,838,782</u>

See notes to financial statements.

Town of Campti, Louisiana
Government-Wide Statement of Activities
June 30, 2010

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines and Charges for Services	Operating Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General Government	\$267,530	\$ 5,006	\$46,435	\$(216,089)	\$ 0	\$ (216,089)
Public Safety	<u>39,232</u>	<u>38,632</u>	<u>0</u>	<u>(600)</u>	<u>0</u>	<u>(600)</u>
Total Governmental Activities	<u>\$306,762</u>	<u>\$ 43,638</u>	<u>\$46,435</u>	<u>\$(216,689)</u>	<u>\$ 0</u>	<u>\$ (216,689)</u>
Business-Type Activities:						
Water/Sewer	\$360,263	\$236,779	\$21,916	\$ 0	\$ (101,568)	\$ (101,568)
Total Government	<u>\$667,025</u>	<u>\$280,417</u>	<u>\$68,351</u>	<u>\$(216,689)</u>	<u>\$ (101,568)</u>	<u>\$ (318,257)</u>
General Revenues:						
Taxes-						
Ad Valorem		\$ 11,889		\$ 11,889	\$ 0	\$ 11,889
Sales Tax		111,125		111,125	0	111,125
Licenses & Permits		72,688		72,688	0	72,688
Interest & Miscellaneous		10,557		10,557	3,376	13,933
Transfers		<u>(8,890)</u>		<u>(8,890)</u>	<u>8,890</u>	<u>0</u>
Total General Revenues and Transfers				<u>\$ 197,369</u>	<u>\$ 12,266</u>	<u>\$ 209,635</u>
Change in Net Assets				\$ (19,320)	\$ (89,302)	\$ (108,622)
Net Assets-Beginning of Year				<u>322,429</u>	<u>1,624,975</u>	<u>1,947,404</u>
Net Assets-End of Year				<u>\$ 303,109</u>	<u>\$1,535,673</u>	<u>\$1,838,782</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Town of Campti, Louisiana
Balance Sheet-Governmental Funds
General Fund
June 30, 2010

	<u>General Fund</u>	<u>LCDBG</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$177,546	\$0	\$177,546
Revenue Receivable	9,365	0	9,365
Due from Utility Fund	<u>16,221</u>	<u>0</u>	<u>16,221</u>
Total Assets	<u>\$203,132</u>	<u>\$0</u>	<u>\$203,132</u>
LIABILITIES:			
Accounts Payable	\$ 16,019	\$0	\$ 16,019
Accrued Expenses	<u>1,652</u>	<u>0</u>	<u>1,652</u>
Total Liabilities	<u>\$ 17,671</u>	<u>\$0</u>	<u>\$ 17,671</u>
FUND BALANCE:			
Unreserved	<u>\$185,461</u>	<u>\$0</u>	<u>\$185,461</u>
Total Liabilities and Fund Balance	<u>\$203,132</u>	<u>\$0</u>	<u>\$203,132</u>

See notes to financial statements.

Town of Campti, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010

Total Fund Balances of the Governmental Funds	\$ 185,461
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Capital Assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet-	
Capital Assets	254,059
Less, Accumulated Depreciation	<u>(136,411)</u>
Net Assets of Governmental Activities	<u>\$ 303,109</u>

See notes to financial statements.

Town of Campti, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Funds
Year Ended June 30, 2010

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>LCDBG</u>	<u>Total</u>
REVENUES:			
Taxes-			
Ad Valorem	\$ 11,889	\$ 0	\$ 11,889
Sales Tax	111,125	0	111,125
Licenses & Permits	72,688	0	72,688
Intergovernmental-			
Beer Tax	2,729	0	2,729
LCDBG-Streets	0	46,435	46,435
Charges for Services-			
Fines & Forfeits	38,632	0	38,632
Rent	5,006	0	5,006
Interest & Miscellaneous	<u>7,828</u>	<u>0</u>	<u>7,828</u>
Total Revenues	<u>\$249,897</u>	<u>\$46,435</u>	<u>\$296,332</u>
EXPENDITURES:			
General Government	\$211,051	\$ 0	\$211,050
Public Safety	39,234	0	39,234
Capital Outlay	7,700	0	7,700
LCDBG-			
Administration	0	21,000	21,000
Streets	0	22,535	22,535
Pre-Agreement	<u>0</u>	<u>2,900</u>	<u>2,900</u>
Total Expenditures	<u>\$257,985</u>	<u>\$46,435</u>	<u>\$304,420</u>
Deficiency of Revenues over Expenditures	\$ <u>(8,088)</u>	\$ <u>0</u>	\$ <u>(8,088)</u>
OTHER FINANCING SOURCES (USES):			
Transfer In	\$ 1,110	\$ 0	\$ 1,110
Transfer Out	<u>(10,000)</u>	<u>0</u>	<u>(10,000)</u>
Total Other Financing	\$ <u>(8,890)</u>	\$ <u>0</u>	\$ <u>(8,890)</u>
Deficiency of Revenues and Other Sources over Expenditures and Other Uses	\$ (16,978)	\$ 0	\$ (16,978)
Fund Balance-Beginning of Year	<u>202,439</u>	<u>0</u>	<u>202,439</u>
Fund Balance-End of Year	<u>\$185,461</u>	<u>\$ 0</u>	<u>\$185,461</u>

See notes to financial statements.

Town of Campti, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
for the Year Ended June 30, 2010

Net Change in Fund Balance-Governmental Funds	\$(16,978)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	7,700
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(10,042)</u>
Change in Net Assets of Governmental Activities	<u>\$(19,320)</u>

See notes to financial statements.

Town of Campti, Louisiana
Statement of Net Assets
Proprietary Fund-Water & Sewer Fund
Year Ended June 30, 2010

ASSETS:

Current Assets-

Cash & Cash Equivalents	\$ 51,843
Revenue Receivable	<u>21,854</u>
Total Current Assets	\$ <u>73,697</u>

Restricted Assets-

Cash & Cash Equivalents	\$ 51,393
Total Restricted Assets	\$ <u>51,393</u>

Capital Assets, Net of
Accumulated Depreciation

Total Capital Assets	<u>\$1,866,323</u>
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Total Assets	<u>\$1,991,413</u>
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LIABILITIES:

Current Liabilities-

Accounts Payable	\$ 1,690
Accrued Expenses	4,503
Due to General Fund	<u>16,221</u>
Total Current Liabilities	\$ <u>22,414</u>

Current Liabilities Payable from Restricted Assets-

Customer Deposits	\$ 47,810
Current Maturity of Long-Term Debt	<u>6,987</u>
Total Current Liabilities Payable from Restricted Assets	\$ <u>54,797</u>

Non-Current Liabilities-

Long-Term Debt	\$ <u>378,529</u>
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Total Liabilities	\$ <u>455,740</u>
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NET ASSETS:

Invested in Capital Assets, Net of Related Debt	\$1,480,807
Restricted for Debt Service	<u>54,866</u>

Total Net Assets	<u>\$1,535,673</u>
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See notes to financial statements.

Town of Campti, Louisiana
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund-Water & Sewer Fund
Year Ended June 30, 2010

OPERATING REVENUES:

Charges for Services-	
Water/Sewer	\$ 227,323
Connection Fees	5,837
Miscellaneous	<u>3,619</u>
Total Operating Revenues	\$ <u>236,779</u>

OPERATING EXPENSES:

Depreciation	\$ 93,288
Insurance	13,325
Operations & Maintenance & Repairs	99,883
Office Supplies, Postage & Printing	22,628
Salaries & Related Benefits	80,312
Utilities & Phone	<u>31,785</u>
Total Operating Expenses	\$ <u>341,221</u>

Loss from Operations \$ (104,442)

NON-OPERATING REVENUES (EXPENSES):

Interest Income	\$ 3,376
Interest Expense	(19,042)
Grant-LGAP	20,000
Grant-LADOTD	<u>1,916</u>
Total Non-operating Revenues (Expenses)	\$ <u>6,250</u>

Net Loss Before Transfers \$ (98,192)

TRANSFERS:

Transfers In	\$ 10,000
Transfers Out	<u>(1,110)</u>
Total Transfers	\$ <u>8,890</u>

Change in Net Assets \$ (89,302)

Net Assets-Beginning of Year 1,624,975

Net Assets-End of Year \$1,535,673

See notes to financial statements.

Town of Campti, Louisiana
Statement of Cash Flows
Proprietary Fund-Utility Fund
Year Ended June 30, 2010

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 232,375
Cash Received from Customer Deposits	3,000
Cash Payments to Suppliers	(190,022)
Cash Payments to Employees	<u>(68,348)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(22,995)</u>
Cash Flows from Non-Capital Financing Activities:	
Grant-State of Louisiana	\$ 21,916
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ <u>21,916</u>
Cash Flows from Capital & Related Financing Activities:	
Principal Payments	\$ (6,655)
Interest Paid	(19,042)
Transfer In	10,000
Transfer Out	<u>(1,110)</u>
Net Cash (Used) by Capital & Related Financing Activities	\$ <u>(16,807)</u>
Cash Flows from Investing Activities:	
Interest Received	\$ 3,376
Net Cash Provided by Investing Activities	\$ <u>3,376</u>
Net Decrease in Cash	\$ (14,510)
Cash-Beginning of Year	<u>117,746</u>
Cash-End of Year	\$ <u>103,236</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$(104,442)
Depreciation	93,288
(Increase) Decrease to Accounts Receivable	(4,404)
Increase (Decrease) to Accounts Payable	(13,746)
Increase (Decrease) to Accrued Liabilities	3,309
Increase (Decrease) in Customers' Deposits	<u>3,000</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(22,995)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

Introduction:

The Town of Campti operates under an elected Mayor/Council (5 members) administrative/legislative form of government. The Town's operations include police protection, streets and drainage, recreation, and general administration services. The Town owns and operates one enterprise activity, a utility system which provides water and sewer services. As required by generally accepted accounting principles, these financial statements present the Town (the primary government).

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Town is the basic level of government which has financial accountability and control over all activities related to the Town's operations and services provided. The Town is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Town Mayor and Council members are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Town's reporting entity.

The financial statements of the Town of Campti, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Town of Campti, Louisiana's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Town are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Town maintains three funds. They are categorized as a governmental fund and a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria.

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

LCDBG

The LCDBG Fund is used to account for all financial resources provided by the LCDBG Grant for street repairs.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

Proprietary Fund-

Enterprise Fund

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Town as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts and savings accounts of the Town.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	5-10 years
Utility system and improvements	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

G. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility bond covenant accounts and customer deposits.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Town; therefore, no entry is made to record compensated absences.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

I. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

J. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

K. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

L. BUDGET AND BUDGETARY ACCOUNTING-

Prior to the beginning of each fiscal year, the Town adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

M. LONG-TERM OBLIGATIONS-

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize debt issued reported as other financing sources. Repayment of the principal and interest is shown as an expenditure.

N. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. Ad Valorem Taxes:

The Town levies taxes on real and business personal property located within the boundaries of the Town. Property taxes are levied by the Town on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Town bills and collects property taxes. The Town recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1
Levy date	August 31
Tax bills mailed	October 15
Total taxes are due	December 29
Penalties and interest added	February 41
Lien date	February 41
Tax sale	May 15

For the year ended June 30, 2010, taxes of 4.93 mills were levied.

Total taxes collected were \$11,889 for 2010, and no provision for uncollectibles is made.

3. Cash and Cash Equivalents:

Cash, cash equivalents, and time deposits are held separately by each of the Town's funds. At June 30, 2010, cash and cash equivalents totaled \$280,782 (book balances). Bank account balances at June 30, 2010, totaled \$299,635. Of this amount, \$250,000 was insured by FDIC Insurance and,

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

\$49,635 was secured by pledged securities. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, LA R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

4. Restricted Assets - Proprietary Fund Type:

Restricted assets of the Utility Fund were applicable to the following at June 30, 2010:

Bond Sinking Fund	\$ 1,988
Bond Contingency Account	10,615
Customer Deposits Account	31,806
Bond Reserve Account	<u>6,984</u>
Cash	<u>\$51,393</u>

5. Capital Assets:

Capital assets and depreciation activity for the year ended June 30, 2010, are as follows:

Governmental Activities	Balance 07-01-09	Additions	Deletions	Balance 06-30-10
Capital Assets, Not Depreciated				
Land	\$ 43,750	\$ 0	\$0	\$ 43,750
Capital Assets, Depreciated				
Buildings & Improvements	80,059	0	0	80,059
Furniture, Fixtures & Equipment	<u>122,550</u>	<u>7,700</u>	<u>0</u>	<u>130,250</u>
Total Assets	\$ <u>246,359</u>	\$ <u>7,700</u>	\$0	\$ <u>254,059</u>
Accumulated Depreciation:				
Building & Improvements	\$ 33,288	\$ 3,047	\$0	\$ 36,335
Furniture, Fixtures & Equipment	<u>93,081</u>	<u>6,995</u>	<u>0</u>	<u>100,076</u>
Total Accumulated Depreciation	\$ <u>126,369</u>	\$ <u>10,042</u>	\$0	\$ <u>136,411</u>
Net Capital Assets	\$ <u>119,990</u>	\$ <u>(2,342)</u>	\$0	\$ <u>117,648</u>

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

Business-Type Activities	Balance 07-01-09	Additions	Deletions	Balance 06-30-10
Capital Assets, Not Depreciated				
Land	\$ 2,690	\$ 0	\$0	\$ 2,690
Capital Assets, Depreciated				
Buildings	32,814	0	0	32,814
Water/Sewer System '08	3,215,054	0	0	3,215,054
Water/Sewer System '09	89,914	0	0	89,914
Machinery & Equipment	<u>103,176</u>	<u>0</u>	<u>0</u>	<u>103,176</u>
Total Assets	<u>\$3,443,648</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$3,443,648</u>
Accumulated Depreciation:				
Buildings	\$ 32,814	\$ 0	\$0	\$ 32,814
Water/Sewer System '08	1,346,165	90,672	0	1,436,837
Water/Sewer System '09	2,249	2,249	0	4,498
Machinery & Equipment	<u>102,809</u>	<u>367</u>	<u>0</u>	<u>103,176</u>
Total Accumulated Depreciation	<u>\$1,484,037</u>	<u>\$ 93,288</u>	<u>\$0</u>	<u>\$1,577,325</u>
Net Capital Assets	<u>\$1,959,611</u>	<u>\$(93,288)</u>	<u>\$0</u>	<u>\$1,866,323</u>

Depreciation expense of \$10,042 was charged to the following governmental functions:

General Governmental	\$9,842
Police	\$ 200

Depreciation expense of \$93,288 was charged to the Water/Sewer Fund.

6. Long-Term Debt:

The following is a summary of long-term debt of the Town of Campti, Louisiana, for the year ended June 30, 2010:

	Business-Type Activities Bond Payable
Balance at June 30, 2009	\$392,171
Debt Issued	0
Debt Retired	<u>6,655</u>
Balance at June 30, 2010	<u>\$385,516</u>

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

Business-Type Activities

As of June 30, 2010, the long-term debt from proprietary fund resources consisted of the following:

<u>Revenue Bonds</u> -\$448,000 Water Revenue Bonds, dated September 16, 1997, due in monthly installments of \$2,141, interest 4.88%, secured by revenues earned by the Town from the operation of the water system.	\$385,516
Less, Current Maturities	<u>(6,987)</u>
Long-Term Debt, Net of Current Maturities	<u>\$378,529</u>

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2010, is as follows:

Year Ending June 30	Business-Type Activities <u>Bond & Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 6,987	\$ 18,711
2012	7,335	18,362
2013	7,701	17,997
2014	8,085	17,613
2015	8,488	17,209
2016-2020	49,224	79,263
2021-2025	62,780	65,707
2026-2030	80,069	48,418
2031-2035	102,119	26,367
2036-2038	<u>52,728</u>	<u>3,110</u>
Totals	<u>\$385,516</u>	<u>\$312,757</u>

7. Pension Plan:

The Town's employees became members of the Municipal Employees Retirement System of Louisiana after June 30, 1996. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information for the retirement systems follows:

Municipal Employees Retirement System of Louisiana (System)-

Plan Description-The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials meeting the requirements of the system are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or 30 years of creditable service, regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary for each year of creditable service.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy-Under Plan B, members are required by state statute to contribute 5.00 percent of their annual covered salary and the Town of Campti is required to contribute at an actuarially determined rate. The current rate is 6.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Campti are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Campti's contributions to the System under Plan B for the year ending June 30, 2010 were \$3,924, equal to the required contributions for the year. Contributions for the year ended June 30, 2009 were \$4,314, and \$4,364 for 2008.

8. Litigation:

At July 30, 2010, the Town was not involved in any civil suit.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

9. Flow of Funds, Restriction on Use-Water Revenue:

Under the terms of the bond indenture relating to Water Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Water System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special accounts:

<u>Period (Day/Month/Year)</u>	<u>Sinking Fund</u>	<u>Reserve Fund</u>	<u>Contingency Fund</u>
9/20/97 - 8/20/37	\$1,820	Commencing with the month following completion of and acceptance of the waterworks improvements financed with the proceeds of the Bonds, a sum of \$91 must be deposited monthly into this fund.	Commencing with the month following completion of and acceptance of the waterworks improvements financed with the proceeds of the Bonds, a sum of \$123 per month must be deposited into this fund.
9/20/97 - 8/20/37	2,141	A sum of \$108 per month must be deposited into this fund until \$25,697 has been accumulated therein.	Payments continue as described above.

10. Compensation Paid to the Mayor and Council Members:

Judy Daniels – Mayor	\$2,400
Joyce Roberson	540
Anthony Reliford	540
Mary Collins	440
Fredrick Fisher	<u>560</u>
Total	<u>\$4,480</u>

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2010

11. Receivables:

The following is a summary of receivables at June 30, 2010:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
Tax, Licenses and Permits-		
Long-term Receivable	\$1,530	\$ 0
Sales Tax	7,835	0
Other Receivables	<u>0</u>	<u>21,854</u>
Total	<u>\$9,365</u>	<u>\$21,854</u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Town of Campti, Louisiana
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Original/Final Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES:			
Taxes-			
Ad Valorem	\$ 25,291	\$ 11,889	\$(13,402)
Sales Tax	45,000	111,125	66,125
Licenses & Permits	45,080	72,688	27,608
Intergovernmental-			
Beer Tax	6,000	2,729	(3,271)
Tobacco Tax	10,000	0	(10,000)
Charges for Services-			
Fines & Forfeits	50,483	38,632	(11,851)
Rent	500	5,006	4,506
Interest & Miscellaneous	5,500	7,828	2,328
Total Revenues	<u>\$187,854</u>	<u>\$249,897</u>	<u>\$ 62,043</u>
EXPENDITURES:			
General Government	\$147,137	\$211,051	\$(63,914)
Public Safety	40,717	39,234	1,483
Capital Outlay	0	7,700	(7,700)
Total Expenditures	<u>\$187,854</u>	<u>\$257,985</u>	<u>\$(70,131)</u>
(Deficiency) of Revenues over Expenditures	\$ 0	\$ (8,088)	\$ (8,088)
OTHER FINANCING SOURCES (USES):			
Transfer-In	\$ 0	\$ 1,110	\$ 1,110
Transfer-Out	0	(10,000)	(10,000)
Total Other Financing	<u>\$ 0</u>	<u>\$ (8,890)</u>	<u>\$ (8,890)</u>
Deficiency of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ (16,978)	\$(16,978)
Fund Balance-Beginning of Year	<u>202,439</u>	<u>202,439</u>	0
Fund Balance-End of Year	<u>\$202,439</u>	<u>\$185,461</u>	<u>\$(16,978)</u>

See accountant's report.

Town of Campti, Louisiana
Budgetary Comparison Schedule
LCDBG
For the Year Ended June 30, 2010

	Original/Final <u>Budget</u>	<u>Actual</u>	Remaining <u>Budget</u>
REVENUES:			
Intergovernmental- LCDBG	\$339,600	\$46,435	\$293,165
EXPENDITURES:			
Streets	\$301,700	\$22,535	\$279,165
Administration	35,000	21,000	14,000
Pre-Agreement	<u>2,900</u>	<u>2,900</u>	<u>0</u>
Total Expenditures	\$339,600	\$46,435	\$293,165
Excess of Revenues over Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See accountant's report.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Judy Daniels, Mayor
and the Town Council
P. O. Box 216
Campti, Louisiana, 71411

We have audited the financial statements of the governmental activities, the business-type activities, and major fund of the Town of Campti as of and for the year ended June 30, 2010, which collectively comprise the Town of Campti's basic financial statements and have issued our report thereon dated February 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Campti's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Campti's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Campti's internal control over financial reporting.

A deficiency in internal control exists when the design or operations of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the Town of Campti's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified one deficiency in internal control over financial reporting (10-01). However, we did not consider this finding to be a material weakness as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Campti's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters (10-02, 10-03) that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Louisiana Legislative Auditor, and management of the Town of Campti and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

February 4, 2011
Natchitoches, Louisiana

Town of Campti, Louisiana
Schedule of Audit Findings
Year Ended June 30, 2010

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unqualified opinion was issued on the basic financial statements of the Town of Campti as of and for the year ended June 30, 2010.
2. The audit disclosed one significant deficiency in internal control, and this deficiency was not determined to be a material weakness.
3. The audit disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*:

Internal Control-

10-01 Segregation of Duties

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

Effect - Intentional or unintentional errors could be made and not detected within the accounting system.

Cause - Due to lack of funds, the Town's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Town's annual financial statements with related note disclosures.

Recommendation - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

Management's Response - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the Town to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

Town of Campti, Louisiana
Schedule of Audit Findings (continued)
Year Ended June 30, 2010

Compliance-

10-02 Local Government Budget Act

Condition - For the year ended June 30, 2010, in the General Fund, actual expenditures exceeded budgeted expenditures by more than the 5% variance allowed and the budget was not amended.

Effect - The budget cannot be used as an effective management tool to control expenditures.

Cause - Oversight of management to ensure the budget was amended prior to the year end.

Recommendation - The Town should institute procedures to ensure the budget is amended whenever actual expenditures are more than budgeted expenditures by more than the 5% allowed.

Management's Response - The Town will institute procedures to ensure the budget is amended when required.

10-03 Late Report

Condition - Louisiana state law requires that the Town have an annual audit performed and submitted to the Legislative Auditor within six (6) months after the close of their fiscal year. For the year ended June 30, 2010, this requirement was not met.

Effect - The Town is in noncompliance with state law.

Cause - The auditors did not issue the report within the required time frame.

Management's Response - We will work close with the auditor to ensure the report is submitted on time.

Town of Campti, Louisiana
Schedule of Prior Year Audit Findings
Year Ended June 30, 2010

Internal Control-

09-01 Segregation of Duties

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

Status - This condition still exists and is reported as finding 10-01 in the current year report.

Compliance-

09-02 Local Government Budget Act

Condition - For the year ended June 30, 2010, in the General Fund, actual expenditures exceeded budgeted expenditures by more than the 5% variance allowed and the budget was not amended.

Status - This condition still exists and is reported as finding 10-02 in the current year report.

09-03 Late Report

Condition - Louisiana state law requires that the Town have an annual audit performed and submitted to the Legislative Auditor within six (6) months after the close of their fiscal year. For the year ended June 30, 2010, this requirement was not met.

Status - This condition still exists and is reported as finding 10-03.